

**TAB
A**

PRICE INCREASE/DECREASE NOTIFICATION PROCESS
 Increase/Decrease Process is the changed of prices to the list price

Define: "Price

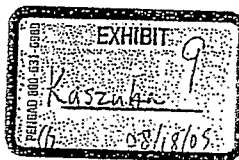
1. Director of Finance or designee provides document containing price increase proposal. The following information is required to implement a price increase action.
 - a. Proposed % increase by product/SKU's form
 - b. Proposed effective date
 - c. Proposed Transitional Offer:
 1. Credit Adjustment:
A credit is extended to wholesalers/physicians in the form of credit memo based on 2 week average units purchased.
 2. Buy-In Offer:
A buy-in allowance at the old price for a specified historical purchasing period.
2. Create a Price Increase folder. This is where all price increase documents are stored. File folder is stored in chronological order in the price increase file drawer.
3. Prepare a Time and Events Schedule. This is used as a step-by-step guide and time schedule for all pricing action tasks. During a pricing action, the Time and Events schedule will be reviewed on a daily basis to ensure the tasks and schedules are met. (SEE ATTACHED EXAMPLE)
4. Pricing Support will prepare an Excel spreadsheet calculating the new prices for classes of trade affected by the price increase. The following classes of trade may be affected by a list price increase:

Wholesalers	(Billing Category 51)
Oncology Product Distributors	(Billing Category 42)
Retailers	(Billing Category 57)
Non-Profit Non Retail	(Billing Category 56)
Profit Non Retail	(Billing Category 58)
Physicians	(Billing Category 59)

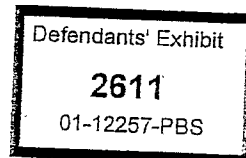
SEE ATTACHED EXCEL FORMULAS TO CALCULATE PRICES

5. Enter proposed prices using the % factor and markup factor in the Price Authorization System.
 - a. % FACTOR: Wholesaler Percent. The change in product price is entered as a percent in this field. *Actual percent increase for pricing action*
 - b. MARKUP FACTOR: When there is 2 tiered pricing, you need to add a 5% markup in the markup field (example: new % for wholesale and retail is 5% higher) The percent of markup is for a product is entered in this field. A markup is usually done when the wholesaler percent is changed. This field is used for price increases affecting all but the wholesaler community (billing category 51).
6. Print (pending status) approval forms from the Pricing Authorization system for proofing.
7. Compare all prices on Excel spreadsheet, communication documents and the Price Authorization System for accuracy and consistency. Correct system to match signed documents if within a penny or two.

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8. Prepare communications for the following classes of trade:
 - a. Wholesalers
 - b. Retail Pharmacist
 - c. Hospital - Director of Pharmacy
 - d. Oncologist/Physician
 - e. Sales Forces
9. Types of communications provided:
 - a. Western Union Mailgrams
 1. Direct Buying Retailers based on the last 12 months of sales
 2. Retail Chain Headquarters
 3. Direct Buying Hospitals who purchase at list price and based on the last 12 months of sales.
 4. Wholesalers (Headquarters)
 5. Wholesalers (Distribution Sites)
 6. Oncologists (Based on direct purchases)

Details on Western Union procedures are listed in section 10.

 - a. Facsimiles (FAX) (see wholesaler headquarter EXCEL file in I/Shared/Admin Price/
 - b. Price Support/ wholesalers_headquarterchain.xls)
 1. Retail Chain Headquarters
 2. State of Texas
 3. Data Services (First DataBank, Red Book, Clinidata)
 - c. E-Mail (SEE EXAMPLES)
 1. Internal:
NOTE: Wholesale, retail, hospital and physician pricing (if applicable) is provided in the EXCEL format.
 2. Sales Forces:
NOTE: Wholesale, retail, hospital and physician (if applicable) pricing is provided in the FAX format.
 3. Data Services: (First DataBank, Red Book, Clinidata)
NOTE: Wholesale and retail pricing is provided in a WORD Document. Pricing is provided in the FAX format.
 4. Puerto Rico: (3-4 days prior to pricing action)
NOTE: Wholesale, retail, and hospital pricing is provided in the EXCEL worksheet format.
 5. OTN: (Oncology Therapeutic Network: For Oncology Products Only)
NOTE: BMSO wholesale and retail pricing is provided in the EXCEL worksheet format.

10. WESTERN UNION:

- a. Contact Western Union Account Executive, Donna Moody to get the job numbers for each of the class of trade categories: Wholesalers, Retailers, Hospitals and Physicians.
- b. Prepare a Western Union Grid which contains previous job numbers and current job numbers supplied by Donna Moody.
- c. Approve work order from Western Union and send back to Margie Sherman at Western Union at the fax number provided on the work order.
- d. Provide Mailgram text via e-mail to Western Union.
 1. The software application used to produce the documents is WORD. Due to the limitations of Western Union's programming, please note the following: TABS cannot be used when entering the data. The registered and trade mark symbols cannot be used, instead use (R) and (TM).
 2. Supply customer mailing labels to Western Union if necessary. In most cases they use the lists used previously. If mailing labels need to be update, contact Rick James in I.M. to update and provide the lists in an Excel format.
 3. Proof and approve documents as they are returned from Western Union.

11. Prepare Internal communication:

- a. Internal price increase notifications are sent via e-mail to members of the e-mail distribution lists. The EXCEL spreadsheet is attached to the e-mail.
- b. The lists include but not limited to: General Management, Strategy-Policy, & Analysis, Managed Healthcare, Policy & Strategy Management Team, US Pricing and Contracts, Trade/Sales Operations, Medical and Technology Strategy, Sales and Marketing Services, Strategy and Operations, Supply Chain, Manufacturing, & Logistics, Pricing Administration, Finance, Cardiovascular/Metabolic Sales, NID/Derm Marketing and Medical Affairs, Mature Brand Management, BMSO Sales, BMSI Sales, and Barbara Devlin of IMS, AJ Durney and Bill Gibson- BMS.
- c. In order to maintain consistency and accuracy, the e-mail distribution lists must be reviewed prior to notifications being sent. Sources to use are the organizational charts in Lotus Notes. They are updated periodically and they provide members of key departments.

12. Sales Force Communications:

- a. Prepare and send sales force communications through the respective Sales Administration. The document is the same FAX format that is sent to the Data Services which contains wholesale and retail pricing.
- b. Managed Healthcare: E-mail directly using the e-mail distribution list for MHC and MHC Trade Strategy and Marketing.
- c. NID Salesforces: Complete the NID Sales Communication Forms located in: I:/shared/admin price/ price support/ field communication forms/NID. E-mail completed form to appropriate contact with price increase notification. Contacts are listed by product responsibility on the document. A confirmation will be sent back of notification.

- d. CV/Metabolic Salesforces: Complete the CV/MET Sales Communication Forms located in: I:/shared/admin price/ price support/ field communication forms/CV-Meta. E-mail completed form and price increase notification to appropriate contact. Contacts are listed by product responsibility on the document. A confirmation will be sent back of notification.
- e. Oncology/Immunology Salesforces: Even though the division is listed as one entity they operate as separate entities with separate salesforces, Oncology and Immunology. Price increase notifications are handled differently for each one.
 - 1. Oncology: A sales force notification form was developed for Oncology, However, they do not utilize it the same way as CV/Met or NID. Therefore, it can be sent to Sr. VP of Sales, Don Soltysiak and VP of Oncology Marketing, Kathleen Deardorff for approvals. Pricing Operations is responsible for sending out the notification to the BMSO (Bristol-Myers Squibb Oncology). It can be sent via e-mail to: mg-wmg-bmso-sales@bms.com
 - 2. Immunology: Bill Kindberg, VP of Immunology Sales did not want a Salesforce Communication form. Therefore, the day before, contact Bill Kindberg or his Admin, Jane Villanova to get permission to send out notifications to the Immunology salesforce. It can be sent via e-mail to: mg-wmg-bmsi-field-sales@bms.com
- 13. Release prices to pending file of Price Authorization System.
- 14. Release Prices (Approved Status) in the Price Authorization System the night before pricing action. The Associate Manager of Pricing Support or Sr. Manager of Pricing Administration will approve and release prices into the system.
- 15. Release approved Western Union texts the afternoon before pricing actions. This allows the opportunity to make any last minute changes.
- 15. Day of price increase, release communication to internal customers via e-mail. (See examples)
- 16. Day of price increase, provide price change notification to the data services (First Databank, Red Book, and Clinidata. (See examples)
- 16. Day of price increase, fax wholesale or retail fax sheets to respective customer as listed on the FAX list. (see wholesaler headquarter EXCEL file in I:/Shared/Admin Price/ Price Support/ wholesalers_headquarterchain.xls)
- 17. Send out buy-in forms or credit adjustments to wholesalers (if applicable)
- 18. Obtain AWP's from the Data Services (First DataBank and Red Book) Approximate turn around time is 2-3 days. Review AWP's for reasonability, ie 20%-25% higher than new wholesale price. AWP's are for internal use only.
- 19. Update internal price lists with new AWP's.
- 20. When Pricing Action is completed, update the main Pricing Table for each applicable business unit to reflect all active pricing in the current pricing column.